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WORLD WOOL PRODUCTION

AND TRADE

World wool production in 1965 (including the 1965-66 season in the Southern Hemisphere) is estimated at 5,705 million pounds, greasy basis, about 2 percent less than each of the two previous years.

In the 5 major Southern Hemisphere producing countries (Australia, New Zealand, Argentina, Uruguay and Republic of South Africa) total output in 1965 is estimated at about 2 percent less than the previous year. Because of drought, production is reported to be down in Australia, Uruguay, and Republic of South Africa. Only partially offsetting gains are in prospect in New Zealand and Argentina.

In other parts of the world, production was reported to be down in the USSR because of adverse weather conditions; U.S. production continued its downward trend as sheep numbers continued to drop and output in Eastern and Western Europe remained on about the same level as the previous year.

Australia. The first forecast of 1965-66 output is for a total production of 1,694 million pounds, about 106 million pounds less than last year.

The final estimate for the 1964-65 season has been revised upward to 1,799.4 million pounds, 10 million pounds above the second estimate made at mid-season, but 14 million pounds less than the early season forecast made in July 1964. The lower clip forecast is based on estimates of the effect of drought in Northern New South Wales, and in Queensland. Not only is a lighter clip forecast in the drought areas, but it is also estimated that sheep losses have been heavy, and lambing reduced, resulting in

WOOL: Production in specified countries, greasy basis, average 1956-60
annual 1963-65 1/

Continent and country	Average		2/		Percent change	
	1956-60	1963	1964	1965	1965	1965
					1956-60	1964
	:Million pounds	:Million pounds	:Million pounds	:Million pounds	:Percent	:Percent
North America:						
Canada.....	7.7	6.8	6.3	6.0	-22	- 5
United States 3/.....	308.8	287.1	264.6	250.0	-19	- 6
Mexico.....	9.6	12.9	11.0	11.0	+ 4	--
Total North America 4/:	330.0	310.0	285.0	270.0	-18	- 5
South America:						
Argentina.....	448.1	436.5	450.0	463.0	+ 3	+ 3
Brazil.....	60.4	58.5	61.2	61.2	+ 1	--
Chile.....	48.7	53.8	55.6	57.3	+18	+ 3
Falkland Islands.....	4.5	4.8	4.5	4.5	--	--
Peru.....	20.9	24.2	22.0	22.0	+ 5	--
Uruguay.....	180.2	194.0	189.6	180.0	--	- 5
Total South America 4/:	780.0	790.0	800.0	805.0	+ 3	+ 1
Europe:						
France.....	62.9	61.7	62.0	60.0	- 5	- 3
Germany, West.....	11.5	10.5	8.3	8.0	-30	- 4
Greece.....	25.1	26.8	26.7	26.6	+ 6	--
Ireland.....	21.2	26.2	26.9	27.6	+30	+ 3
Italy.....	30.4	29.4	29.2	27.7	- 9	- 5
Norway.....	8.0	8.0	8.0	8.0	--	--
Portugal.....	23.8	25.6	25.9	26.0	+ 9	--
Spain.....	72.6	81.3	80.7	79.4	+ 9	- 2
United Kingdom.....	116.3	130.6	126.8	128.4	+10	+ 1
Total West Europe 4/...:	385.0	415.0	410.0	405.0	+ 5	- 1
Bulgaria.....	38.3	50.0	50.0	50.0	+31	--
Hungary.....	16.3	22.0	22.0	24.0	+47	+ 9
Poland.....	20.4	17.0	16.5	16.0	-22	- 3
Rumania.....	44.6	52.5	53.0	53.0	+19	--
Yugoslavia.....	31.2	29.1	29.0	28.0	-10	- 3
Total East Europe 4/..:	180.0	195.0	200.0	200.0	+11	--
Total Europe 4/.....:	565.0	610.0	610.0	605.0	+ 7	- 1
U.S.S.R. (Europe & Asia) :	690.0	825.0	753.0	727.0	+ 5	- 3

(Continued)

WOOL: Production in specified countries, greasy basis, average 1956-60
annual 1963-65 1/

(Continued)

Continent and country	;	;	;	;	;	Percent
	Average	;	;	;	2/	change
	1956-60	1963	1964	1965	1965	1965
	;	;	;	;	;	1956-60: 1964
	Million	Million	Million	Million	;	;
	pounds	pounds	pounds	pounds	Percent	Percent
Africa:	;	;	;	;	;	;
Algeria.....	19.0	19.0	19.0	19.0	--	--
Morocco.....	34.9	34.0	40.0	44.0	+26	+10
Tunisia.....	7.8	9.0	9.0	9.0	+15	--
Egypt.....	5.2	5.5	5.5	5.5	+ 5	--
South Africa, Rep. 5/.....	323.2	322.9	310.0	308.0	- 5	- 1
Total Africa 4/.....	405.0	405.0	400.0	400.0	- 1	--
Asia:	;	;	;	;	;	;
Iran.....	41.9	41.9	39.7	41.9	--	+ 5
Iraq.....	24.7	25.0	25.0	25.0	+ 1	--
Turkey (Europe & Asia)....	91.2	92.6	99.2	101.4	+11	+ 2
Syria.....	18.2	18.7	22.0	29.8	+64	+35
India.....	73.8	75.0	78.0	80.0	+ 8	+ 3
Japan.....	7.5	3.2	2.2	2.2	-71	--
Pakistan.....	32.5	32.5	31.5	32.5	--	--
Total Asia 4/ 6/.....	510.0	510.0	525.0	550.0	+ 8	+ 5
Oceania:	;	;	;	;	;	;
Australia.....	1,578.8	1,781.7	1,799.4	1,693.9	+ 7	- 6
New Zealand.....	538.3	616.0	621.0	650.0	+21	+ 4
Total Oceania 4/.....	2,120.0	2,400.0	2,420.0	2,345.0	+11	- 3
Total World 4/ 7/.....	5,400.0	5,850.0	5,795.0	5,705.0	+ 6	- 2

1/ For summary purposes wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/ Preliminary. 3/ Converted "pulled wool" to greasy basis at 1.7. 4/ Includes estimates for other producing countries. 5/ Includes Basutoland and South West Africa. 6/ Includes mainland China. 7/ Rounded to nearest five million.

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fewer sheep being shorn in the current season in both states.

Current estimates of production are based on an average clip per head that approaches a post-war low -- approximately 8.32 pounds. It is possible that the preliminary estimate is on the conservative side and may be revised upward at mid-season.

Although production will be lower in the current season, total supplies will not be too different from those of last year. Unsold stock in the hands of brokers, and unrecorded farm stocks at the end of the season are estimated to have risen sharply because of the price drop during the last selling season.

Probably the most important and far reaching development to occur in Australia in many years has been the proposal to institute a reserve price plan within the framework of the auction system. It is not certain that the plan will be adopted, however, enabling legislation will likely be passed by parliament in the current season and the question voted upon by wool growers at referendum shortly thereafter. The plan, in any case, would likely be conservative in its aim, and seek to avoid supporting unrealistic wool values that could lead to acquisition of stocks. Reserve price plans have been in effect in New Zealand and South Africa for several years, and while both have been required at one time or another to take in wool, no stocks of consequence have been accumulated and neither country has suffered losses on its market transactions.

New Zealand. The latest estimate for 1964-65 production is 621 million pounds, up only slightly from the 616 million pounds produced in the 1963-64 season.

For 1965-66 early season indications point to a sharp increase in production with a clip in the area of 650 million pounds. Climatic conditions have been favorable, and it is estimated that sheep numbers have shown a sizeable increase.

Argentina. Wool production in 1964-65 is estimated at 450 million pounds. Production in the 1965-66 season beginning October 1 to forecast at 463 million pounds, reflecting increased sheep numbers.

Exports of Argentine wool lagged behind the previous years low level for the first 6 months of the marketing year, but pick up in the third quarter following devaluation of the peso and suspension of export sales taxes through the end of the 1964-65 season. Exports increased in the April - June quarter and domestic consumption has recovered from the low levels of the previous year. However, it is expected that there will be an increase in carryover stocks to an estimated 100 million to 110 million pounds, up from about 80 million at the beginning of the season.

Uruguay. Final estimates of 1964-65 production remain at the same level as early season predictions show a drop in production from the previous year. Dry weather and relatively poor condition of sheep offset a slight increase in sheep numbers.

South African production declined in 1964 and is forecast to drop again in 1965. Reasons given for the current seasons decline are continued drought, and cold weather causing a drop in sheep numbers.

Trade

RAW WOOL EXPORTS OFF 5 PERCENT IN 1965

World exports of raw wool in 1964 totaled 3,000 million pounds, down 5 percent from the previous year.

As in past years more than 80 percent of the wool entering world trade originated in the 5 major producing countries of the Southern Hemisphere (Australia, New Zealand, Argentina, Uruguay, and South Africa), and was exported in the main to relatively few countries in the industrialized Northern Hemisphere.

In total these 5 countries shipped some 2 percent less wool in 1964 than they did in 1963. Rising world prices during the previous year coupled with anti-inflation measures in several consuming countries contributed to the decline. In addition, the South American producers held larger stocks in the hope of realizing better prices.

In the consuming countries there was in 1964 a reaction to the higher wool prices of the preceding year. In several countries the percentage of wool consumed by the wool textile industry declined and there was a rise in the use of man-made substitutes. In 1965 the trend was partially reversed and several countries, particularly the United States, returned to the market as a major buyer.

WOOL (actual weight): International trade,
average 1956-60, annual 1962-64

Country	Average 1956-60		1962		1963		1964 1/	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
North America:								
Canada.....	3,548	19,261	3,283	18,233	3,675	16,557	2,417	19,762
United States.....	2/ 1,655	316,262	2/ 124	362,541	2/ 175	368,523	2/ 116	283,122
Mexico.....	0	13,325	0	17,833	0	17,645	0	25,234
Total North America 3/.....	5,203	348,848	3,407	398,607	3,850	402,725	2,533	328,118
South America:								
Argentina.....	255,804	0	305,110	0	289,400	0	216,900	0
Brazil.....	7,582	764	300	1,336	6,356	7,019	36,993	33
Chile.....	16,541	579	13,132	1,841	17,374	2,109	12,177	1,323
Colombia.....	0	1,728	0	9,726	0	13,499	0	12,300
Falkland Islands.....	4,540	0	4,627	0	5,061	0	4,800	0
Peru.....	4,958	37	6,953	44	9,198	22	8,236	1
Uruguay.....	98,281	0	100,724	0	101,074	0	77,949	0
Total South America 3/.....	387,806	3,108	470,846	12,947	428,463	22,649	357,055	13,657
Europe:								
Western								
Austria.....	89	14,549	131	15,064	70	16,442	70	14,200
Belgium.....	35,744	185,197	49,950	242,270	49,934	207,709	36,433	232,785
Denmark.....	1,091	5,054	1,792	6,865	1,700	6,400	---	---
Finland.....	90	11,177	10	8,183	10	8,770	8,388	10
France.....	69,033	388,016	77,242	388,184	86,528	361,157	69,990	304,230
Germany, West.....	10,894	225,785	10,360	222,740	11,540	234,630	9,390	226,080
Greece.....	437	4,175	128	4,056	101	4,674	174	3,203
Iceland.....	1,197	160	1,658	200	800	200	600	200
Ireland.....	18,861	12,063	23,670	11,982	24,055	13,200	16,222	12,593
Italy.....	3,442	230,513	6,981	310,273	8,910	303,814	7,900	274,605
Netherlands.....	8,662	31,858	10,044	28,681	12,410	33,025	9,710	32,200
Norway.....	1,932	1,873	2,628	2,760	2,636	3,999	2,200	4,000
Portugal.....	619	10,416	2,082	10,206	2,475	10,661	820	14,506
Spain.....	1,259	6,785	2,980	21,074	6,157	20,584	5,752	22,397
Sweden.....	1,417	10,953	1,497	10,935	3,239	10,569	3,000	10,740
Switzerland.....	188	14,628	537	15,328	1,187	15,894	873	13,063
United Kingdom.....	34,527	686,128	49,100	625,400	58,700	630,900	43,600	571,500
Total Western Europe 3/.....	189,482	1,839,330	240,790	1,924,201	270,452	1,882,628	218,722	1,742,712
Eastern								
Albania.....	661	0	529	0	1,228	0	---	---
Bulgaria.....	0	4,468	0	2,518	0	3,700	---	---
Czechoslovakia.....	0	46,200	0	44,100	0	44,000	0	46,300
Germany, East.....	0	29,908	0	46,710	0	51,390	---	---
Hungary.....	660	6,768	13	5,395	1,800	8,800	4,500	8,900
Poland.....	0	42,137	0	40,728	0	32,795	0	34,618
Rumania.....	1,400	1,090	2,000	700	2,200	700	---	---
Yugoslavia.....	1,629	13,486	968	14,169	944	25,266	500	33,300
Total Eastern Europe 3/.....	4,350	144,057	3,510	154,320	6,172	166,651	8,300	179,818
Total Europe 3/.....	193,832	1,983,387	244,300	2,078,521	276,624	2,049,279	227,022	1,922,530
USSR (Europe and Asia).....	28,967	123,588	53,400	106,000	60,800	92,600	---	---

(Continued)

WOOL (actual weight): International trade,
average 1956-60, annual 1962-64
(continued)

Country	Average 1956-60		1962		1963		1964 1/	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
	: 1,000 : pounds							
Africa:								
Algeria.....	1,251	757	1,000	200	800	200	---	---
Libya.....	1,530	0	540	0	1,398	0	2,581	0
Morocco.....	6,778	416	4,502	441	3,780	541	4,333	345
Tunisia.....	1,420	140	---	---	---	---	---	---
U.A.R. (Egypt).....	168	1,790	---	---	---	---	---	---
Kenya.....	1,864	28	3,050	0	3,400	0	2,900	0
So. Africa, Rep. 4/	240,497	4,940	275,332	9,700	248,640	10,000	243,870	
Total Africa 3/...	253,508	8,071	285,324	12,441	258,918	12,941	255,584	12,745
Asia:								
Cyprus.....	858	0	1,310	0	999	0	1,200	0
Iran.....	18,886	672	8,570	3,195	8,818	2,646	3,072	3,530
Iraq.....	13,905	212	8,200	240	12,700	100	---	---
Israel.....	103	1,580	100	562	---	---	---	---
Jordan.....	568	0	260	0	---	---	---	---
Lebanon.....	5,986	4,836	5,600	4,400	8,500	5,000	---	---
Turkey (Europe and Asia).....	9,123	9,154	9,640	24,513	9,260	25,564	10,557	17,322
U.A.R. (Syria).....	15,062	1,323	7,740	340	5,481	4,409	12,544	6,644
China, Mainland....	36,507	18,846	20,330	31,657	27,000	36,100	27,000	42,200
Afghanistan.....	14,341	0	14,000	0	12,600	0	---	---
China, Taiwan.....	0	360	0	1,318	0	2,187	0	3,200
India.....	35,889	3,263	24,084	13,181	16,715	14,526	28,314	16,267
Japan.....	---	323,535	---	463,100	300	526,324	2,100	497,547
Korea, Rep. of.....	0	1,414	0	4,940	0	5,950	0	2,380
Pakistan.....	29,027	1,210	30,744	---	30,807	600	21,585	---
Total Asia 3/....	182,911	369,220	130,578	547,671	133,962	625,657	139,777	598,055
Oceania:								
Australia.....	1,272,356	6,840	1,425,443	7,000	1,432,196	---	1,405,520	---
New Zealand.....	471,614	280	545,200	1,600	563,095	2,500	552,600	3,700
Total Oceania 3/...	1,743,970	7,120	1,970,643	8,600	1,995,291	9,500	1,958,120	10,700
Total world 3/ 5/	2,796,197	---	3,159,498	---	3,157,908	---	3,000,091	---

1/ Preliminary. 2/ Washed, scoured or clean basis. 3/ Includes allowances for any missing data for countries shown and for other producing countries not shown. 4/ Includes exports from Southwest Africa and Basutoland. 5/ Excludes wool on the skins, re-exports where possible; imports in most cases refer to gross imports.

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